



**City Commission Sunshine Meeting
City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive
September 16, 2015**

Mayor Philip Levine
Vice-Mayor Edward L. Tobin
Commissioner Michael Grieco
Commissioner Joy Malakoff
Commissioner Micky Steinberg
Commissioner Deede Weithorn
Commissioner Jonah Wolfson - absent

City Manager Jimmy L. Morales
City Attorney Raul J. Aguila
City Clerk Rafael E. Granado

Clerk's Note: Items listed in blue include a hyperlink, which will take the reader to the document referenced.

Mayor Levine called the meeting to order at 3:03:43 p.m.

Historical Background:

At the September 10, 2015 First Budget Meeting, direction was given to hold a City Commission Sunshine Meeting in the Commission Chambers to discuss further the budget policies and other issues.

Presentation by Sylvia Crespo-Tabak

Sylvia Crespo-Tabak, Human Resources Director, explained that at the first budget hearing the Classification Ordinance was introduced, which included new job classifications and Commissioner Weithorn had questions regarding it. Ms. Crespo-Tabak explained the new positions, detailing if it was a completely new position or if it was a new job description for an existing classification that had outgrown its significance due to changing job responsibilities, or if it was a reclassification. Ms. Crespo-Tabak highlighted that there are only eight (8) new positions, which did not exist before and had no incumbent. See [Information Related to Proposed Unclassified Salary Ordinance](#).

Vice-Mayor Tobin explained that at the September 2, 2015 First Budget Meeting, Commissioner Weithorn had requested additional information from the Administration, as Commissioner Weithorn did not feel that she could vote on the budget without this additional information. This Sunshine meeting is geared to provide this information.

Commissioner Weithorn added that she was concerned when she saw the proposed Classification Ordinance without listing financial impact. Commissioner Weithorn cited as an example that the proposed Ordinance list the position of Excellence Program Manager, but it does not provide any explanation as to what are the job responsibilities for this position. Without such information, it is difficult for Commissioner Weithorn to vote on the item.

Commissioner Weithorn inquired as to the newly created Emergency Management Technician position. Ms. Crespo-Tabak explained that the employee was originally hired at the Public Safety Communications Unit (PSCU), which has since become a unit of the Emergency Management Department, which is headed by Mr. Chuck Tear. Under the Emergency Management Department, the employee's duties have expanded not only to encompass 911/Communication functions, but she has become Mr. Tear's right hand. This employee helps to run not only the 911 Center, but the Emergency Management Center as well. This employee's responsibilities have expanded significantly, and the new title, job description and increase in salary were the result of the increased job responsibilities.

City Manager Morales stated that the enhancements listed in the Classification Ordinance were requested last year, and were previously brought to and approved by the City Commission; this Classification Ordinance is housekeeping to ensure that the classification match the enhancements previously approved by the City Commission.

Discussion held.

Commissioner Weithorn stated that details are not revealed to the City Commission, and she is concerned with the significant pay increases. For instance, there are staff members listed that received 25% salary increase, and no details have been provided.

Ms. Crespo-Tabak explained that Ms. Hernandez, who in charge of rebuilding the Convention Center received a 22% increase; Ms. Ferguson, Assistant Director for Emergency Management received a 24% increase, and the Executive Associate for the Fire Chief outgrew her role and assumed a similar role of Chief of Staff in the Police and was properly reclassified and received a 22% increase. Out of all the new positions, the one with the greatest increase was the Green Space Division Director; this position was approved during last year's budget meeting. The remaining positions listed did not receive significant increases. Ms. Crespo-Tabak added that based on the duties performed, and her expertise and knowledge of salaries in the community; she does not believe that said salaries are out of hand.

Vice-Mayor Tobin state that he trusts Sylvia Crespo-Tabak 100%; however, he added that sometimes documents lack detail, and now that Ms. Crespo-Tabak has added the details, they are understandable. Vice-Mayor Tobin added that Ms. Crespo-Tabak is putting forth an outstanding effort.

Ms. Crespo-Tabak thanked Vice-Mayor Tobin and stated that this is part of her job.

Commissioner Weithorn added that if the City Administration deems that it needs employees at these levels the City Commission should not judge. However, Commissioner Weithorn is concerned about such significant salary increases in one year; she would have been more comfortable if the increases would have been gradual. Commissioner Weithorn commented that in the private sector no one gets a 25% salary increase. Commissioner Weithorn is concerned about the sustainability of such increases over the long term; she does not want to institute something that is not fiscally sustainable and then be required to implement cuts. This City Commission must leave the City's financial foundation as strong as possible.

Vice-Mayor Tobin wants to know why the Office of Communication increased its budget.

Commissioner Malakoff agrees that Commissioners must scrutinize the budget. Commissioner Malakoff added that at times, based on the particular circumstances and/or business necessity, there are reasons for a 25% increase. In the present cases, job responsibilities have been added. Irrespective, Commissioner Malakoff pointed out that the position count chart shows that the numbers of positions proposed for 2015/16 are less than it was in 2006/07. See [Position Count Trend Since FY 2006/07](#).

Ms. Crespo-Tabak added that in her own department in 2015 what she inherited was bare bones and could not do the job. She is unable to find qualified people without the enhancements, and if she cannot employ qualified employees, she could not deliver some of the requests made by the City Commission at executive sessions and meetings.

Commissioner Weithorn stated that in 2007 they inherited the budget when elected; they had to figure out how to bear bone the City. They allowed the former City Manager to outsource. Comparing numbers does not always tell the story.

Commissioner Weithorn reminded Ms. Crespo-Tabak that during the September 10, 2015 First Budget Meeting she had requested the number of vacancies versus the positions.

Ms. Crespo-Tabak stated that the information has been distributed via an LTC. Ms. Crespo-Tabak distributed the following documents to the City Commission:

- [Report Positions Vacant for 12 months or more Sept 2015; and](#)
- [Entire Vacancy Report as of August 2015](#)

Discussion held.

City Manager Morales stated that it is not easy to fill positions, and employees must meet the minimum requirements of the job and pass substantial background checks.

Discussion continued.

Ms. Crespo-Tabak explained the Vacancy Report. Ms. Crespo-Tabak stated that as of Monday the number of vacant positions for Police Officers would decrease to three. The majority of the openings have been long-term due to the difficulty finding qualified candidates to do the jobs needed. For instance, in Emergency Management 911 Communications they have 35 people currently going through backgrounds. Fleet has had a difficult time finding a qualified Mechanic III, and Parks and Recreation has a large recruitment underway due to the new Park Ranger program. Candidates are constantly going through the background process; some positions are re-evaluated to see if they will be filled or perhaps they can use other skill sets; and at times, salary ranges must be reevaluated to ensure competitiveness. Ms. Crespo-Tabak stated that the Public Works Infrastructure Division Director came on board recently, and they want to allow the Director to select the members of his team, hence the vacancies.

Commissioner Weithorn found it unacceptable for the Miami Beach Police Department to have 13 vacancies. Regarding Public Works, they have 150 months of vacancies, which means that something is not working. Commissioner Weithorn finds it unacceptable that they have all these open positions in Public Works; they have 50 Municipal Workers position vacancies in Public Works, these are the employees who clean our streets. Keeping such vacancies open is a quality of life issue for our residents, and it is not acceptable to her.

Jay Fink, Assistant Public Works Director, explained that 90% of the vacant Municipal Worker positions are currently filled with temporarily staffing personnel, so the work is being accomplished.

Ms. Crespo-Tabak explained that her count reflects positions that are not filled by City employees; it does not reflect positions that are being performed by non-City personnel such as agency temporary employees.

Discussion held regarding how such agency temporary employees should be reflected in the budget and the vacancy reports.

City Manager Morales stated that he would issue a report with an LTC detailing such agency temporary employees. **Office of the City Manager to handle.**

Ms. Crespo-Tabak stated that the City has a relatively small workforce, and she knows most of the employees. Ms. Crespo-Tabak added that the people who have been promoted during her tenure have been qualified. Those who received larger than customary salary increases have been doing the work before, and they outgrew the jobs they had been hired to do. Never once has she felt the need to raise an eyebrow or wondered about some of these increases, particularly when it comes to internal equities.

Presentation by John Woodruff

John Woodruff, Budget & Performance Improvement Director, recapped the budget process to date. He stated that at the first public hearing, there were two changes to the operating budget discussed; one adding \$25,000 in support to the Miami-Dade Gay and Lesbian Chamber of Commerce, since the City already provides support to several other Chambers; and there was an additional \$55,000 added to the Homeless Program to convert two part-time positions to full-time positions, covered by the Resort Tax. To help address the perception of a "bloated" budget or "sustainability" in some level, Mr. Woodruff stated that in 2007 the City had 2,127 positions; in 2016, they are proposing 2,065 positions, which are 62 positions less. See [Position Count Trend Since FY 2006/07](#).

In answering Vice-Mayor Tobin's questions, Mr. Woodruff explained that at the Retreat, the issue of temporary employees was discussed; they can always make an adjustment for at least the property management changed discussed, but he encouraged, given a certain "fudge factor" of additional positions, even if assuming the worse, the City would today still be very comparable to the number of employees back in 2007.

Vice-Mayor Tobin asked if it is normal to have a 3% growth in employees per year.

Mr. Woodruff clarified that some level of growth factor is normal. Recently they experienced the biggest economic recession in recent memory, which will probably not happen again in their lifetimes.

Discussion continued regarding growth factor.

Vice-Mayor Tobin is against the approach of a 3% growth, unless services are increased.

Mr. Woodruff explained the tax levy and assessed value from FY 97/98 to FY 15/16. See [Millage and Tax Levy History](#). Mr. Woodruff added that this City Commission and the previous City Commissions have done a great job at building fiscal sustainability into the budget.

Vice-Mayor Tobin added that if the millage has been able to be reduced, but property values have increased substantially, how much money is the City able to spend wisely? They have reduced the tax millage rate, but property values have gone up between 13% and 15%, and they have spent that money, they have managed how to spend \$140 million in Ad Valorem taxes, basically close to \$18 million more.

Mr. Woodruff explained that in nine years residents have not seen increases in homesteaded property taxes - business owners, second homeowners or vacation homeowners is quite different.

Vice-Mayor Tobin explained that the City has reduced the millage, but the City has sustained incredible increases in property values, which brings additional revenue, which is spent.

Mayor Levine clarified that the City has reduced the millage tax. He asked Mr. Woodruff what is the difference in property tax revenue from 2007 to 2016. He thinks that it is over \$4 million, which is the only additional revenue collected.

Mr. Woodruff agreed that the additional revenue collected is \$4 million.

Vice-Mayor Tobin reiterated that if property values went up between 13% and 15% in the City in 2015, and the budget relies on \$130 to 140 million of Ad Valorem tax revenue last year, so then the City captured an additional \$18 to \$20 million in revenue, which they are spending. He suggested looking at this year's budget and comparing it to last year's.

Jimmy L. Morales, City Manager, referred to Page 117 of the Budget Book, and explained that the current service revenues increased \$16.1 million; that reflects property value increases and new construction. Tax reduction is about \$3.6 million, which means they have about \$12.5 million leftover; \$2.8 million went towards pension contributions; \$2.2 million was salary adjustments built into the contracts, \$1.2 million was a spike in separation payouts, (DROP and/or separations), and about \$6.2 million were things the City had no control over.

Discussion held.

Vice-Mayor Tobin stated he would rather have more employees doing more services. The presentation shows that the City increased \$4 million in expenditures, and he does not think that it tells the entire story, and he is very conscious of that.

Mr. Woodruff referred to the chart entitled [General Fund and G.O. Debt by Average Daily Population](#), which takes the General Fund and GO debt amount and divides by permanent population. Miami Beach is a unique place with many visitors; daily population has increased on an average of 35% in the last 10 years, but the budget has remained flat in some levels over FY 06/07. The budget is not keeping up on a per capita basis; and as a result, traffic is worse, cleanliness has suffered, and a lot of it is because the budget does not keep up with the demands. The last two years the City experienced somewhat of a boom in the real estate market, and he would characterize that the City is trying responsibly to harness that money to help address needs in the community.

Vice-Mayor Tobin stated that it is not correct to say that the budget has remained flat.

As far as daily average population, Mr. Woodruff is talking about the people that come in and then leave. To budget has to keep up with the drivers that come in and out.

Mr. Woodruff thinks Vice-Mayor Tobin is partially right; however, the average segment of the population include folks that work or visit the beach and others that come and stay in hotels; he informed that on any given day instead of 91,000 people, there are actually over 200,000 people in the City. As a result, the City needs to build more garages, focus on traffic congestion and intelligent transportation system; trolley systems; the increase in daily population is driving the needs for services, and it should not be surprising that the budget is increasing. Over the last two years, it may seem as the City had a large increase, but is only catching up at some level to the demand of the last nine years.

Commissioner Weithorn had asked Mr. Woodruff to prepare a variance analysis to see where the increases in the budget have been made. In FY 15, the budget went up 6% of the General Fund only; this was due to a 2% merit increase plus the COLA adjustment that had not occurred in six years, and during the recession employees ended up paying a higher percentage for medical insurance. If salaries represent 75% of the budget, (with medical and health), the City would have close to 5% increase, which is normal inflationary increases. In the end, the budget was up 6%, which included enhancement. In FY 16, the amount was 7%, as they included \$6.7 million in Citywide accounts that are not normal operating increases.

Mr. Woodruff explained the Citywide accounts. He stated that \$2.1 million of the Citywide accounts is Building Department reserves. When the Department goes through a boom, they have more revenue than actual expenditures, and as they know, the City cannot use these funds for general purposes. When they know that they will have more revenue than expense, the funds are set aside in the reserve account to make sure it is spent properly. During the budget process, they set aside \$500,000 for the public safety radio system project; \$1.3 million had to do with accumulated leave. In last year's budget, the Citywide account went down, and they thought it would decrease, but instead they increased. Additionally they added \$1 million to PayGo as an enhancement to take operating dollars from the General Fund and put them into the capital project to preserve the infrastructure. He explained that this is an enhancement that if the City has a situation where cuts are needed, this is the first place to tap without affecting positions. He added that the renewal replacement went up because the property taxes went up as well.

Mayor Levine gave direction to address the budget department by department.

Vice-Mayor Tobin stated that the Communications Department went from \$789,117 to over \$1 million.

Mr. Woodruff explained that the function of the Communications Department took a greater importance and became a standalone department.

Marcia Monserrat, Special Projects Coordinator, explained that last year they made the Communications Division a standalone department. Previously the Director worked out of the Office of the City Manager and was part of the City Manager staff. A vacant position from the Miami Beach Police Department was brought over to Communications as a Media Ambassador; a graphics person, who was responsible for the graphics in the Parks & Recreation Department, was transferred to Communication as a Public Information Office and now does graphics work Citywide, including Parks. In answering Vice-Mayor Tobin, Ms. Monserrat explained that these positions and salaries were transferred to the Communications Department Budget from the originating departments.

City Manager Morales stated that the goal was to centralize the Communications Department's functions.

Discussion continued regarding the growth in employees of the Communications Department going from four to ten employees.

Ms. Monserrat explained that historically the City used many contractors and freelancers, and now they are full-time City employees. These employees run the TV station, produce the magazine and communicate via social media for the City of Miami Beach. After FY 14/15, at the request of the City Commission all Commission Committee meetings are now broadcast live; additionally they doubled the amount of original programming, whereas they did five programs, now they do eleven programs per month.

Discussion continued.

Mayor Levine added that they have seen what a tremendous upgrade MBTV has had, and the great work that the Media Ambassador has done, and this quality work is what residents deserve.

City Manager Morales added that an additional full-time position was hired to deal only with social media for the City, traffic alerts, etc.

Commissioner Malakoff recognized the Communications Department for their recent awards for film, video and MB magazine.

Discussion continued.

Vice-Mayor Tobin pointed out that they also started an Emergency Management Department at a proposed budget of over \$2 million. The City has prepared for many emergencies throughout the years and there were people in different departments that came through during emergencies. He recognized Chuck Tear for his knowledge, but alerted that they will see a growth in this department, and that is something to watch in the future.

Chuck Tear, Emergency Management Director, stated that many of the services they are offering were previously lacking. When all the programs lacking are in place, they will be able to downsize. Comparing the last 12 years to today, it shows that the level of security they are currently providing is improved. For instance, today they recovered \$210,000 from the Comptroller's Office for Hurricane Wilma. The City never went after this money because there were no resources available at the time to properly process the reimbursement.

Mr. Woodruff stated that the budget once established only went up 1.1% for the Emergency Management.

Discussion continued.

Vice-Mayor Tobin expressed concerns over the increasing budget and staffing in the Mayor's Office. He requested a printout of the members.

Mr. Woodruff stated that in 2013, there were eight Constituent Aides and one was reclassified to Chief of Staff; one Office Manager, which was actually eliminated, the Executive Office Associate was reclassified to a Receptionist; they used to split funding with the City Manager's Office for receptionist for sharing with the Mayor's Office and Office of the City Attorney; this position reclassified to an Office Associate IV (OA IV); there is one secretary position which was reclassified from the Receptionist position to add the customer service component, and the only difference is the Branding Manager position which was added. When comparing 2013 to 2016 there are only 1.3

positions higher than before. Given the higher level of communication and community involvement that exist with new initiatives, it seems reasonable. [Office of the Mayor and Commissioners Position Count History](#).

Vice-Mayor Tobin reiterated that he knows how many employees they had before, and how many employees there are now. There are three extra employees, at least, not including the driver.

Mr. Woodruff clarified that the Communications position in the Mayor's Office is budgeted out of the Communications Department, but is physically housed there for efficiency.

Commissioner Weithorn stated that the chart for [General Fund Historical Budgets](#) is misleading. Public safety has historically been 60% of the City's budget; that has dropped into the 50% this year; and the reason their budget only went up 6% in FY 14/15 and FY 15/16, with the adjustment of the Citywide accounts, is the non-public safety departments; Emergency Management at 8.65% in FY 15/16, and public safety increased 4.4%; then in FY 15/16 public safety increased 9.4% and this went up 2.5%. The reason they are seeing this modest 6% and 7% increase, is that they have not increased resources to public safety with the exception of Emergency Management, and that they made significant pension changes, which occurred at the end of FY 12/13.

Mr. Woodruff added that the public safety area was insulated from most of these cuts. It may be fair to say that in the last two years there has been sort of a "catch up" factor in administrative, non-public safety type positions, that on some level help offset a lot of reductions and eliminations that remain in prior years, and reflect many new initiatives from the City Commission.

Commissioner Weithorn disagrees; the number of employee positions has grown and she does not understand why. She has tremendous concerns that they are growing a budget they do not need to grow; she does not believe in big government and that is her philosophy. The only exception she can make is for public safety but she does not see growth here.

Mayor Levine thanked Mr. Woodruff and Ms. Crespo-Tabak for a wonderful job and they look forward to the second budget hearing on September 30, 2015.

Meeting adjourned at 4:18:36 p.m.

Handout or Reference Material:

1. Notice in The Miami Herald, Ad No. 1085
2. [General Fund and GO Debt by Average Daily Population](#)
3. [General Fund Historical Budgets](#)
4. [Millage and Tax Levy History](#)
5. [Office of the Mayor and Commissioners Position Count History](#)
6. [Position Count Trend Since FY 2006/07](#)
7. [Unclassified Salary Ordinance](#)
8. [Vacancy Report as of September 2013](#)
9. [11 Month Vacancy Report – as of August 2015](#)
10. [Vacancy Report as of August 2015](#)
11. Report Positions Vacant for 12 Months or More Sept 2015 – [View report](#)